

# Senate File 2387 - Reprinted

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SF 2240)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to permissible prizes for use of an electrical  
2 and mechanical amusement device and the penalties for awarding  
3 an improper cash prize.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 6034SV 82  
6 ec/nh/5

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1 1 Section 1. Section 99B.10, subsection 1, paragraphs a and  
1 2 b, Code Supplement 2007, are amended to read as follows:  
1 3 a. ~~A prize of merchandise~~ Merchandise exceeding ~~five~~ fifty  
1 4 dollars in value shall not be awarded for use of the device.  
1 5 However, a mechanical or amusement device may be designed or  
1 6 adapted to award a prize or one or more free games or portions  
1 7 of games without payment of additional consideration by the  
1 8 participant.  
1 9 b. A prize of cash shall not be awarded for use of the  
1 10 device, except as provided in paragraph "bb".  
1 11 Sec. 2. Section 99B.10, subsection 1, Code Supplement  
1 12 2007, is amended by adding the following new paragraph:  
1 13 NEW PARAGRAPH. bb. If a prize of merchandise is awarded  
1 14 from a ticket valued at no more than five dollars and is  
1 15 redeemed for less than the total value of the ticket, cash in  
1 16 an amount of less than five dollars that represents the  
1 17 difference between the total value of the ticket and the value  
1 18 of the redeemed prize may be awarded.  
1 19 Sec. 3. Section 99B.10, subsection 1, paragraph f, Code  
1 20 Supplement 2007, is amended by adding the following new  
1 21 subparagraph:  
1 22 NEW SUBPARAGRAPH. (6) A distributor shall not be limited  
1 23 in the number of electrical and mechanical amusement devices  
1 24 registered by the department under this lettered paragraph  
1 25 that the distributor may store for the sole purpose of future  
1 26 placement or replacement of existing registered devices.  
1 27 Sec. 4. Section 99B.10, subsection 3, unnumbered paragraph  
1 28 1, Code Supplement 2007, is amended to read as follows:  
1 29 A person who violates any provision of subsection 1,  
1 30 paragraph "a", "bb", "e", "g", "h", "i", "j", "k", or "m",  
1 31 shall be subject to the following:  
1 32 Sec. 5. Section 99B.10, Code Supplement 2007, is amended  
1 33 by adding the following new subsection:  
1 34 NEW SUBSECTION. 5. Notwithstanding any provision of this  
1 35 section to the contrary, a distributor shall not be liable for  
2 1 a violation of this section unless the distributor, or an  
2 2 employee of the distributor, violates a provision of this  
2 3 section.  
2 4 Sec. 6. Section 99B.10B, subsection 2, Code Supplement  
2 5 2007, is amended to read as follows:  
2 6 2. a. The department shall revoke a registration issued  
2 7 pursuant to section 99B.10 or 99B.10A, for a period of ten  
2 8 years if a person commits an offense of awarding a cash prize  
2 9 in violation of section 99B.10, subsection 1, paragraph "b",  
2 10 or a second or subsequent offense of violating section 99B.10,  
2 11 subsection 1, paragraph "bb", pursuant to rules adopted by the  
2 12 department. A person whose registration is revoked under this  
2 13 subsection who is a person for which a class "A", class "B",  
2 14 class "C", special class "C", or class "D" liquor control  
2 15 license has been issued pursuant to chapter 123 shall have the  
2 16 person's liquor control license suspended for a period of  
2 17 fourteen days in the same manner as provided in section

2 18 123.50, subsection 3, paragraph "a". A person whose  
2 19 registration is revoked under this subsection who is a person  
2 20 for which only a class "B" or class "C" beer permit has been  
2 21 issued pursuant to chapter 123 shall have the person's class  
2 22 "B" or class "C" beer permit suspended ~~and that person's sales~~  
2 23 ~~tax permit suspended~~ for a period of fourteen days in the same  
2 24 manner as provided in section 123.50, subsection 3, paragraph  
2 25 "a".  
2 26 b. If a person owning or employed by an establishment  
2 27 having a class "A", class "B", class "C", special class "C",  
2 28 or class "D" liquor control license issued pursuant to chapter  
2 29 123 commits an offense of awarding a cash prize in violation  
2 30 of section 99B.10, subsection 1, paragraph "b", or a second or  
2 31 subsequent offense of violating section 99B.10, subsection 1,  
2 32 paragraph "bb", pursuant to rules adopted by the department,  
2 33 the liquor control license of the establishment shall be  
2 34 suspended for a period of fourteen days in the same manner as  
2 35 provided in section 123.50, subsection 3, paragraph "a". If a  
3 1 person owning or employed by an establishment having a class  
3 2 "B" or class "C" beer permit issued pursuant to chapter 123  
3 3 awards a cash prize in violation of section 99B.10, subsection  
3 4 1, paragraph "b", pursuant to rules adopted by the department,  
3 5 the beer permit of the establishment and the establishment's  
3 6 sales tax permit shall be suspended for a period of fourteen  
3 7 days in the same manner as provided in section 123.50,  
3 8 subsection 3, paragraph "a". If a person owning or employed  
3 9 by an establishment having a class "B" or class "C" beer  
3 10 permit issued pursuant to chapter 123 commits a second or  
3 11 subsequent offense of violating section 99B.10, subsection 1,  
3 12 paragraph "bb", pursuant to rules adopted by the department,  
3 13 the beer permit of the establishment shall be suspended for a  
3 14 period of fourteen days in the same manner as provided in  
3 15 section 123.50, subsection 3, paragraph "a".  
3 16 Sec. 7. Section 99B.10C, subsection 2, Code Supplement  
3 17 2007, is amended to read as follows:  
3 18 2. A person ~~owning or leasing an electrical and mechanical~~  
3 19 ~~amusement device, or an employee of a person owning or leasing~~  
3 20 ~~an electrical and mechanical amusement device~~, who knowingly  
3 21 allows a person under the age of twenty-one years to  
3 22 participate in the operation of an electrical and mechanical  
3 23 amusement device, or a person who knowingly participates in  
3 24 the operation of an electrical and mechanical amusement device  
3 25 with a person under the age of twenty-one years, is guilty of  
3 26 a simple misdemeanor.  
3 27 Sec. 8. Section 99B.14, subsection 1, Code 2007, is  
3 28 amended to read as follows:  
3 29 1. The department may deny, suspend, or revoke a license  
3 30 if the department finds that an applicant, licensee, or an  
3 31 agent of the licensee violated or permitted a violation of a  
3 32 provision of this chapter or a departmental rule adopted  
3 33 pursuant to chapter 17A, or for any other cause for which the  
3 34 director of the department would be or would have been  
3 35 justified in refusing to issue a license, or upon the  
4 1 conviction of a person of a violation of this chapter or a  
4 2 rule adopted under this chapter which occurred on the licensed  
4 3 premises. However, the denial, suspension, or revocation of  
4 4 one type of gambling license does not require, but may result  
4 5 in, the denial, suspension, or revocation of a different type  
4 6 of gambling license held by the same licensee. In addition, a  
4 7 person whose license is revoked under this section who is a  
4 8 person for which a class "A", class "B", class "C", or class  
4 9 "D" liquor control license has been issued pursuant to chapter  
4 10 123 shall have the person's liquor control license suspended  
4 11 for a period of fourteen days in the same manner as provided  
4 12 in section 123.50, subsection 3, paragraph "a". In addition,  
4 13 a person whose license is revoked under this section who is a  
4 14 person for which only a class "B" or class "C" beer permit has  
4 15 been issued pursuant to chapter 123 shall have the person's  
4 16 class "B" or class "C" beer permit suspended ~~and that person's~~  
4 17 ~~sales tax permit suspended~~ for a period of fourteen days in  
4 18 the same manner as provided in section 123.50, subsection 3,  
4 19 paragraph "a".  
4 20 SF 2387  
4 21 ec/nh/cc/26